

DEPARTMENT OF FINANCIAL INSTITUTIONS
MINUTES OF MEETING
MARCH 10, 1994, 9:00 AM EST

The Members of the Department of Financial Institutions met at 9:00 a.m., EST, at 402 West Washington Street, Room W-066, Indianapolis, Indiana, on Thursday, March 10, 1994. Members present were Messrs. W. Paul Wolf, Vice-Chairman, presiding, Norman Lowery, Tony Zaleski, Douglas Grant, and Ms. Dee Godme. Also present from the Department were Director Charles W. Phillips, J. Philip Goddard, Legal Counsel; James M. Cooper, Supervisor, Mergers and Acquisitions; Kirk J. Schreiber, Bank Analyst; Eric Roberts, Bank Analyst; Randall L. Rowe, Bank Supervisor; Mark K. Powell, Supervisor, Credit Unions; Donna R. Kaye, Administrative Assistant, Consumer Credit Division; and Janice L. Davis, Administrative Assistant. Members absent were Mark Hasten and Daniel Leitch.

I. EXECUTIVE SESSION

- A.) A review of examination information on the English State Bank, English, Indiana.

This information is confidential as provided in IC 28-1-2-30. This aspect of the Executive Session is authorized by IC 5-14-1-5.6(a)(6).

II. PUBLIC SESSION

- A.) Attendance
- B.) Date of next meeting: April 14, 1994, at 10:00 a.m. EST. Director Phillips requested that the date of the Members Meeting in May, 1994, be changed to May 19, 1994, at 10:00 a.m. EST. A motion was made for approval by Mr. Zaleski and seconded by Mrs. Godme. The Members Meeting in May was unanimously changed to May 19, 1994.
- C.) A motion was made for approval of the minutes of the meeting held February 24, 1994, by Mr. Grant and was seconded by Mr. Lowery. The minutes were unanimously approved, with Mr. Zaleski abstaining.
- D.) No action was taken during the Executive Session as the discussion of the English State Bank was for informational purposes only and related to our most recent examination of the bank.

DIVISION OF BANKS AND TRUST COMPANIES

1) Prime Bank, Cromwell, Noble County, Indiana

James M. Cooper, Supervisor, Mergers and Acquisitions, presented the Articles of Dissolution filed by Prime Bank. Mr. Cooper relayed that the liquidating agents of Prime Bank have filed an application for the conclusion of the liquidation proceeding with the Noble Circuit Court, in order to obtain an order from the Noble Circuit Court for the conclusion of the proceeding. The bank must then file its Articles of Dissolution with the Secretary of State. The question before the Members is whether the Department approves of the proposed Articles of Dissolution. Mr. Lowery made a motion for approval which was seconded by Mrs. Godme. The motion to approve the Articles of Dissolution was unanimously passed. Mr. Grant abstained from any discussion or vote on this item.

- 2) Community First Financial Group, Inc., English, Crawford County, Indiana
Mr. James M. Cooper, Supervisor, Mergers and Acquisitions, presented the application filed by Community First Financial Group, Inc., a bank holding company of the English State Bank, to acquire 30.95% of the voting shares of the Peoples Trust Bank Company, Corydon, Indiana. Peoples Trust Bank Company is an approved but unopened new bank. The bank holding company intends to acquire all 130,000 shares of Class B common stock issued and outstanding for \$1,300,000. Peoples Trust Bank Company will issue the Class A stock to various investors by way of a public offering. The holding company plans to borrow \$900,000 of the \$1.3 million purchase price required for the acquisition of the 130,000 shares of the Class B common stock. All of the statutory requirements found in IC 28-2-14 have been determined by the staff to be of a satisfactory or higher rating. The staff made a recommendation that the acquisition be approved based upon its investigation. A motion for approval was made by Mr. Lowery and seconded by Mr. Zaleski. The application was unanimously approved.

DIVISION OF CREDIT UNIONS

- 1) Mark K. Powell, Supervisor, Credit Union Division, presented the proposed merger of Standard Oil Employees Credit Union, Indianapolis, Marion County, Indiana into KEMBA (Indianapolis) Credit Union, Indianapolis, Marion County, Indiana. Mrs. Dee Godme recused herself from any participation or vote on this item. This is a voluntary merger initiated by the Standard Oil board of directors. The purpose of this merger is to provide the membership of Standard Oil with more sophisticated services provided by the much larger Kemba Credit Union. It was pointed out that this merger would have little effect on the Kemba Credit Union. Both credit unions are state chartered and are insured by the American Share Insurance Company of Dublin, Ohio. Mr. Powell stated that Standard is a solvent credit union which is requesting to merge with a more viable organization. The manager of the credit union desires to retire in the near future. Mr. Powell submitted an agreement of merger and recommended that the application be approved. A motion for approval was made by Mr. Grant and seconded by Mr. Zaleski. The merger was unanimously approved.

DIVISION OF CONSUMER CREDIT

- A) Mr. J. Philip Goddard, Deputy Director, Consumer Credit Division, presented a proposed regulation to the Members and explained that the regulation is required every two years on even number years to change the various dollar amounts which appear in the Indiana Uniform Consumer Credit Code. Mr. Wolf had various questions concerning what certain charges actually were and Donna Kaye, Administrative Assistant, Consumer Credit Division, explained the charges which were subject to this change. Mr. Goddard further explained that this regulation is being passed on an emergency basis as it must be in effect by July 1, 1994. Mrs. Godme made a motion for approval and was seconded by Mr. Grant. The dollar amounts were unanimously approved.

DIRECTOR'S COMMENTS AND REQUESTS

- A) The Director advised the Members of actions taken pursuant to delegated authority. Director Phillips also explained the contents and disposition of House Bill 1278, which was legislation proposed by the Department. There were several questions concerning legislation and also the matter of the licensing of check cashers. Mr. Goddard and Mrs. Kaye explained the objective of the Act and our proposed examination process.

DELEGATED AUTHORITY

DIVISION OF CREDIT UNIONS

1. HUNTINGTON COUNTY FARM BUREAU CREDIT UNION, HUNTINGTON, HUNTINGTON COUNTY, INDIANA

A request for approval of a Petition for Approval of Proposed Amendment to the Articles of Incorporation. This amendment would place the following organization into the field of membership of the credit union:

The Seils Corp. /dba The Desk - Huntington - 13 members

The request was approved by the Director under Delegated Authority on February 21, 1994.

2. INDIANAPOLIS POLICE DEPARTMENT CREDIT UNION, INDIANAPOLIS, MARION COUNTY, INDIANA

A request for approval of an amendment of the Articles of Incorporation of the credit union to reflect the membership qualifications being moved from the By-laws to the Articles of Incorporation.

The request was approved by the Director under Delegated Authority on February 21, 1994.

DIVISION OF CONSUMER CREDIT

1. A request was submitted for a Money Transmitter License by Mid-America Money Order Company. They are a wholly owned subsidiary of Mid-America Bancorp, a Kentucky bank holding company. They plan to issue money orders at 105 authorized locations in Indiana. They have met all of the requirements of the new Money Transmitter Act. The request was approved by the Director under Delegated Authority on February 18, 1994.
2. A request was submitted for a Money Transmitter License by Butler University of Indianapolis, Indiana. They plan to issue money orders through their business office at the university. They will not have any authorized delegates. They have met all of the requirements of the new Money Transmitter Act. The request was approved by the Director under Delegated Authority on February 18, 1994.
3. A request was submitted for a Budget Service License by Credit 1 Corporation. The license will be located in Lawrenceburg, Indiana. The investigation of character, fitness and financial responsibility revealed no derogatory information. The appropriate bond has been posted. The request was approved by the Director under Delegated Authority on February 18, 1994.

4. A request was submitted for a Check Cashing License by Attpro, Inc. The license will be located in Indianapolis, Indiana. There will be one branch location. All references are in order. The applicant has met all of the requirements of the Check Cashing Law. The request was approved by the Director under Delegated Authority on February 18, 1994.
5. A request was submitted for a Check Cashing License by Alternative Financial Services, Inc. The license will be located in Fort Wayne, Indiana. There will not be any branch locations. The applicant has met all of the requirements of the Check Cashing Law. The request was approved by the Director under Delegated Authority on February 18, 1994.
6. A request was submitted for a Check Cashing License by Zinnvest, Inc. d/b/a Check-X-Change. The license will be located in Indianapolis, Indiana. There will not be any branch locations. The applicant has met all of the requirements of the Check Cashing Law. The request was approved by the Director under Delegated Authority on February 18, 1994.
7. A request was submitted for a Check Cashing License by M & G Riley, Inc. d/b/a Michigan Road Liquors. The license will be located in Indianapolis, Indiana. There will not be any branch locations. They are applying for a check cashing license to provide check cashing services which are not incidental to their retail sales. The applicant has met all of the requirements of the Check Cashing Law. The request was approved by the Director under Delegated Authority on February 18, 1994.
8. A request was submitted for a Check Cashing License by National Cash Systems, Inc. d/b/a Payroll Check Cashing. The license will be located in Indianapolis, Indiana. There will be three branch locations. The applicant has met all of the requirements of the Check Cashing Law. The request was approved by the Director under Delegated Authority on February 18, 1994.
9. A request was submitted for a Check Cashing License by T & T Investments, Inc. d/b/a Payroll Check Cashing. The license will be located in Indianapolis, Indiana. There will not be any branch locations. The applicant has met all of the requirements of the Check Cashing Law. The request was approved by the Director under Delegated Authority on February 18, 1994.

CERTIFICATION

The Department certifies that the business discussed in the Executive Session was limited only to business which was set out in the Department's Notice of Meeting and Agenda under the heading Executive Session.

There being no further business to come before the Members, the meeting was adjourned.

APPROVED:

ATTEST:

W. Paul Wolf, Vice Chairman

J. Philip Goddard, Secretary